

Estimated Effects on the Revenues of Ontario  
of the Revised Fiscal Arrangements and Budget Tax Changes  
Proposed by the Government of Canada

1982-83 to 1986-87

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The following table presents the estimated effects on the revenues of the province of Ontario of the revised Fiscal Arrangements and Budget Tax Changes proposed by the Government of Canada for the five-year period 1982-83 to 1986-87. It is based on Tables 2 - 7 appended to Fiscal Federalism in the 80's, a position paper released for the Government of Canada by the Honourable Allan J. MacEachen, Deputy Prime Minister and Minister of Finance, prior to the Federal-Provincial Conference of Ministers of Finance and Treasurers held in Halifax, November 23 - 24, 1981.

The following points should be noted.

- 1) The federal cash transfers to, and income tax revenues of, Ontario would increase by \$468 million in 1982-83 as a result of both the revised fiscal arrangements and budget tax changes, by \$459 million in 1983-84, \$598 million in 1984-85, \$723 million in 1985-86 and \$724 million in 1986-87.
- 2) The annual average rate of growth of both transfers and income tax revenues would be 11.6% over the five-year period.
- 3) "Pure" federal cash transfers to Ontario would decrease by \$91 million in 1982-83 as a result of discontinuation of compensation for the 1972 Revenue Guarantee, but would show significant increases of \$308 million in 1983-84, \$411 million in 1984-85, \$436 million in 1985-86 and \$455 million in 1986-87.
- 4) The annual average rate of growth of "pure" federal cash transfers would be 10.5% over the five-year period.
- 5) Federal cash and tax transfers to Ontario would amount to \$27.9 billion over the five-year period.



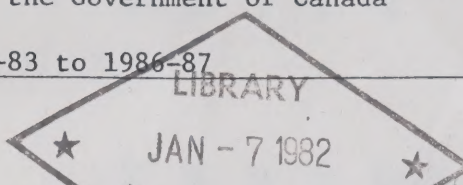




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## ESTIMATED EFFECTS ON PROVINCIAL REVENUES OF THE FISCAL ARRANGEMENTS AND BUDGET TAX CHANGES PROPOSED BY THE GOVERNMENT OF CANADA 1982-83 to 1986-87


(\$ Millions)

	Cash Transfers Under Equalization and EPF		EPF Tax Transfers		Other Provincial Revenue Increases Related to Tax Changes		Grand Total	
	Amount	Change Over Previous Year	Amount		Amount		Amount	Change Over Previous Year
<u>Existing Arrangements</u>								
1981-82	2,349		1,732				4,081	
<u>Proposed Arrangements</u>								
1982-83	2,258	-91	2,045		246		4,549	+468
1983-84	2,566	+308	2,285		157		5,008	+459
1984-85	2,977	+411	2,545		84		5,606	+598
1985-86	3,413	+436	2,831		85		6,329	+723
1986-87	3,868	+455	3,125		60		7,053	+724
Five-year total	15,082		12,831		632		28,545	

Source: Tables 2 to 7, The Honourable Allan J. MacEachen, Deputy Prime Minister and Minister of Finance,  
Fiscal Federalism in the 80's, Position of the Government of Canada Preparatory to a Federal-Provincial Conference,  
Finance Ministers and Treasurers, Halifax, November 23-24, 1981.







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